

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 OES-06
SP-02 SS-15 STR-04 TRSE-00 ACDA-10 FEA-01 PA-02
PRS-01 SSM-05 IO-13 /134 W
-----230506Z 041868 /17

R 221527Z MAR 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 3039

UNCLAS CAIRO 4886

E.O. 11652: N/A

TAGS: ENRG EG GW

SUBJ: MOBIL SIGNS SINAI AGREEMENT WITH EGPC

REF: CAIRO A-38

1. LOCAL PRESS REPORTED MARCH 20 MOBIL OIL AGREEMENT WITH EGPC FOR EXPLORATION FOR OIL IN SUDR AREA OF SINAI. AGREEMENT WAS SIGNED PREVIOUS DAY BY EGPC CHAIRMAN, EL LEITHY AND WILL BE VAILD FOR SIX YEARS. AGREEMENT REPORTEDLY WORTH U.S. \$7.5 MILLION AND UNDER ITS TERMS MOBIL WILL INCREASE PRODUCTION IN EXISTING WELLS AND PROVIDE EGPC BONUS OF U.S. \$1.25 MILLION.

2. CHARGE AND EMBOFF HAD SHORT MEETING MARCH 21 WITH MOBIL REPRESENTATIVES INCLUDING GENERAL MANAGER, E.R. SAWTELLLE; EXECUTIVE VICE PRESIDENT OF THE E AND P DIVISION, MR. A.H. MASSAD; AND DIRECTOR OF THE MIBIL CORP., MR. T.W. NELSON. IN RESPONSE TO QUESTION, REPS CONFIRMED THAT AGREEMENT TO EXPLORE 1500 SQUARE KILOMETER AREA IN DUDR AREA OF SINAI HAD BEEN SIGNED AND THAT MOBIL HAD ALREADY BEGUN SEISMIC STUDIES.

3. ALSO DISCUSSED WAS COMPANY'S CONCERN OVER FUTURE
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STABILITY OF SADAT REGIME-- ESPECIALLY IN LIGHT OF LIBYAN SABOTAGE ATTEMPTS AND PRESENTPOOR STATE OF EGYPT'S ECONOMY. MOBIL REPS SOUGHT CHARGE'S OPINION ON GOE REACTION IF MUCH PUBLICIZED GOAL OF 1,000,000 BARREL/DAY OIL PRODUCTION NOT REALIZED. MR. NELSON EMPHASIZED THAT MOBIL'S EFFORTS TO LOCATE NEW FIELDS HAD NOT BEEN SUCCESSFUL AND THAT OTHER COMPANIES NOT HAVING MUCH BETTER LUCK. CHARGE REPLIED THAT

GOE PROBABLY RELAIIZES 1,000,000 BARREL/DAY PRODUCTION GOAL
UNREALISTIC. THEREFORE, GOE UNLIKELY TO MAKE ISSUE OF IT
UNLESS FORCED TO BY EXTERNAL FACTORS SUCH AS INTERNATIONAL
POLITICAL SITUATION OR DRASTIC WORSENING OF ECONOMY.
MATTHEWS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 22-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Subject: MOBIL SIGNS SINAI AGREEMENT WITH EGPC
TAGS: ENRG, EG, GE, MOBIL
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Type: TE
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